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GUJARAT THEMIS BIOSYN LIMITED
19TH ANNUAL REPORT
1999-2000

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BOARD OF DIRECTORS

G. SUBBARAO, IAS	*CHAIRMAN*
S.J.KIM	DIRECTOR
S.I.SUH	DIRECTOR
C.S.PARK	DIRECTOR
J.K. CHA	DIRECTOR
SURENDRA S. SOMANI	DIRECTOR
PANKAJ R. PATEL	DIRECTOR
N.I. GANDHI	DIRECTOR
DR. DINESH S. PATEL	DIRECTOR
ANANT THAKORE	DIRECTOR

AUDITORS

M/S. KHANDELWAL JAIN & CO.,
CHARTERED ACCOUNTANTS

COST AUDITORS

M/S. B.J.D NANABHOY & CO.
COST ACCOUNTANTS

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BANKERS

UNION BANK OF INDIA

REGISTERED OFFICE & WORKS

69/C, GIDC INDUSTRIAL ESTATE
VAPI - 396195, DIST- VALSAD
GUJARAT.

CORPORATE OFFICE

3RD FLOOR, ARVIND CHAMBERS
SAI SERVICE COMPOUND,
WESTERN EXPRESS HIGHWAY
ANDHERI [EAST],
MUMBAI-400 069.

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the Nineteenth Annual General Meeting of Gujarat Themis Biosyn Limited will be held on Tuesday, 26th September, 2000 at 11.00 a.m., at 69/C, GIDC Industrial Estate, Vapi-396 195, Dist. Valsad, Gujarat, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2000 and Profit and Loss Account for the year ended on that date together with reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. S.I. Suh, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri. C.S. Park, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. Anant Thakore, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ONLY ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. AN INSTRUMENT APPOINTING A PROXY OR ANY OTHER DOCUMENT NECESSARY TO SHOW THE VALIDITY OR OTHERWISE RELATING TO THE APPOINTMENT OF A PROXY IN ORDER THAT THE APPOINTMENT MAY BE EFFECTIVE AT THE MEETING MUST BE FILED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from September 22, 2000 to September 26, 2000.
3. Members are requested to bring their copies of the Annual Report to the meeting since it will not be possible for the Company to distribute additional copies of the Annual Report at the Annual General Meeting.

By order of the Board

ANANT THAKORE
Director

Mumbai: 1st August, 2000

Registered Office :
69/C, GIDC Industrial Estate,
Vapi- 396 195
Dist. Valsad,
Gujarat.

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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting herewith the 19th Annual Report together with the Audited Accounts of the Company for the Financial Year ended March 31, 2000.

FINANCIAL RESULTS

(Rs. in Lakhs)

	Year ended 31.03.2000	Year ended 31.03.1999
Total Income	**4291.64**	5995.61
Operating Profit	**533.69**	745.34
Interest and Finance charge	**260.88**	223.47
Profit before depreication, amortization & Write off	**272.81**	521.87
Profit for the year	**78.13**	100.44
Surplus/(Deficit) brought forward	**393.98**	293.54
Surplus carried forward to Balance Sheet	**472.12**	393.98

OPERATIONS

Your Company's operations during the year under review, have been generally smooth. The Company's sales for the year amounted to Rs. 4041.03 lakhs as compared to Rs.5779.79 lakhs during the previous year. The operating profit for the year is Rs.533.69 lakhs as compared to Rs.745.34 lakhs for the previous year. The net profit recorded by the Company for the year is Rs.78.13 lakhs as compared to Rs.100.44 lakhs in the previous year.

EXPORTS

The Company's exports during the year were Rs.766.08 lakhs as compared to Rs.1140.11 lakhs during the previous year (values *are excluding export benefits). The Company will further continue to explore exports possibilities in the current year. This year* your company could not maintain its sales volume because of intense competition. Several manufacturer from China have emerged as major suppliers in the global market. The international selling price are very low as compare to the domestic selling price and because of this the export potential from India for Rifampicin has vastly declined. Also domestic manufacturer of formulations are now opting for import of Rifampicin from Chinese sources for the purpose of export of Rifampicin formulations. This has lead to the decline of market size for Rifampicin in the domestic market as well.

Your Company is taking aggressive measures on the front of cost reduction through energy conservation and technology improvement to become cost effective at the international level.

DIRECTORS

The Yuhan Corporation has, in the current year nominated Shri. C.S.Park on the Board of Directors of the Company in place of Shri. D.S.Kim, with effect from 31.1.2000. Your Directors place on record their sense of appreciation for the valuable guidance, advice and co-operation received from Shri. D.S.Kim during his tenure as Director of the Company.

Shri. S.I.Suh, Shri. C.S.Park and Shri. Anant Thakore retires at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

INDUSTRIAL RELATIONS

Relations between the Management and the workers generally remained cordial and peaceful.

AUDITORS

Messrs Khandelwal Jain & Co., Chartered Accountant, Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and offer themselves for reappointment. As regards remarks in the Auditor's Report, the Notes, wherever referred to, are self-explanatory.

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PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended by the companies (Particulars of Employees) Amendment Rules, 1999 forms part of this Report. However, in accordance with the provisions of Section 219(1) (b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the Members excluding the Statement of Particulars under Section 217 (2A). Any member interested in obtaining a copy of the Statement may write to the company at it's Registered Office.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Additional information on conservation of energy and technology absorption etc. as required to be disclosed in terms of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988, is appended to and forms part of this Report.

Y2K COMPLIANCE

The Hardware and Software used by the Company for its operations have been made Y2K compliant and Company faced no difficulties or production loss while conversion, wherever applicable, of its systems to Y2K compatible.

ACKNOWLEDGMENT

Your Directors have pleasure to place on record their sincere appreciation for the continued co-operation and support extended to the Company by Financial Institutions, Union Bank of India, all the Employees, Yuhan Corporation, the State Government of Gujarat, Dept. of Chemical & Petrochemical and various other Government authorities.

For and on behalf of the Board of Directors

ANANT THAKORE
Director

DINESH PATEL
Director

Mumbai 1st August, 2000

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ANNEXURE II

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

I. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:-

During the year under review, all possible efforts were made to ensure optimum conservation of electricity and fuel at the plant.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-

The company has introduced improved operational methods, improved maintenance systems and rationalisation to bring about a saving in power consumption.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:-

The adoption of energy conservation measures stated above is expected to help in saving to the Company on fuel and energy cost.

(d) The total energy consumption per unit of production as per Form A of the Annexure to the Rules in respect of Industries specified in the Schedule thereto:-

The Company has invested substantial amount in the Plant and equipment to reduce energy consumption and the Company will continue in its efforts to improve methods of energy conservation and utilisation.

A. POWER AND FUEL CONSUMPTION

	1999-2000	1998-99
1) Electricity		
a) Purchase:		
Units	**14,535,398**	15,174,518
Total Amount	**73,217,914**	69,999,934
Rate / Unit (Rs.)	**5.04**	4.61
b) Own Generation:		
Through diesel Generators (KwH)	**1,207,925**	1,422,657
Diesel Consumed (Liters)	**334,823**	431,227
Units / Litre of Diesel Oil (KwH)	**3.61**	3.30
Total Amount (Rs.)	**3,347,651**	4,162,841
Cost / Unit (Rs. / KwH)	**2.77**	2.93
Through Steam:		
Turbine / Generator Units	**Nil**	Nil
Unit / Litre of Fuel / Oil / Gas	**Nil**	Nil
2) Furnace Oil		
Quantity (Litres)	**31,46,279**	3,008,888
Total Amount (Rs)	**2,32,86,963**	15,682,257
Average Rate (Rs./Litre)	**7.40**	5.21

B. CONSUMPTION PER UNIT OF FINISHED GOODS PRODUCED

Rifampicin Production (MT)	**89,263**	107,477
Electricity per MT (Rs)	**820,249**	651,150
Furnace Oil Per MT (Rs)	**260,880**	145,879
Diesel Oil Per MT (Rs)	**37,503**	38,732

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II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules:

1. Research & Development (R & D)

(a) Specific areas in which R & D carried out by the Company:

The Company conducts regular R & D activities in the inhouse quality control laboratory for improvement in the quality of the existing products and upgradation of process. The activities of the R & D lab are also directed towards development of new products, identified by the Company.

(b) Benefits derived as a result of the above R & D:

The R & D activities of the Company have resulted in improved quality of the product and in production process with better yield and cost containment.

(c) Future Plan of action:

The Research activity will continue to concentrate on new product development, process improvement and development and import substitution.

(d) Expenditure on R & D:

		1999-2000	1998-99
i)	Capital	**35.96**	13.26
ii)	Recurring	**2.82**	12.16
iii)	Total	**38.78**	25.42
iv)	Total R & D expenditure as a percentage of total turnover	**0.96%**	0.45%

2. Technology Absorption, Adaptation and Innovation:

(a) Efforts in brief, made towards technology absorption, adaptation and innovation:

The Company has taken steps to embark on expansion of capacity in the existing product with a view to further increase the yields and productivity as also bring down the cost of production.

(b) Benefits derived as a result of the above efforts:

— Saving in Foreign Exchange through import substitution.

— Reduction of production cost.

— Improvement in product quality.

3.

(a) Activities related to exports, initiatives taken to increase exports, development of new export markets for products and services and export plan:

The Company is manufacturing 100% import substitute products and the production during the year has saved substantial foreign exchange to the country.

(c) Total foreign exchange used and earned	(Rs. In lakhs)
— Total foreign exchange earned	766.08
— Total foreign exchange spent	Nil

For and on behalf of the Board of Directors

ANANT THAKORE
Director

DINESH PATEL
Director

Mumbai : 1st August, 2000

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